

Part 3: Evidence & Data of the Economic Impact of Music in Your Community

In order to demonstrate the need to support the music and cultural workers, venues and wider ecosystem in your constituency, we have collated the following statistics that can be incorporated into a request for support:

The Value Of Music

- Investing in music and culture is **an investment in public health**. Music supports mental health and wellbeing. It is for everyone, no matter their age, race, sex or religion. (endnote 7)
- The recorded music industry grew by 9.7% prior to the pandemic. (endnote 8)
- For every \$1 spent on a concert ticket in America's towns and cities, a further \$12 of economic impact is generated. (endnote 9)
- Music, as a sector, has grown at more than twice the rate of the economy since 2008.
- Music and its supply chain represents between 1 and 5% of all jobs in America's cities, per studies of Austin, Nashville, Indianapolis, Huntsville AL, Indianapolis, New Orleans and Atlanta. (endnote 10)
- Music rights can be recession proof. One of the world's largest investment funds for music rights has increased during the pandemic, achieving an annualised 4.2% yield. (endnote 11)
- Music involves **all members of your community**. It is equitable, diverse and inclusive.
- The music and creative economy remain robust, despite the pandemic. Music streaming is forecast to grow by 19.8% in the next 5 years. (endnote 12)
- Music instrument sales are at an all-time high. (endnote 13)
- Investing in music and culture supports both nonprofit and for-profit organizations.

The Impact of the Crisis

- The COVID-19 crisis is the biggest shock to the U.S. economy since the Great Depression. The music industry, and creative economy in general, are some of the sectors most at risk from the COVID-19 crisis. **An estimated 2.7 million jobs were lost and more than \$150 billion in sales of goods and services for creative industries nationwide which represents nearly a third of all jobs in those industries and 9% of the annual sales.** (endnote 14)
- **An estimated \$74 billion in average monthly earnings for creative occupations has been lost.** This means billions lost in state and local tax revenues. (endnote 15)
- Music venues rely on earned income (tickets sales, subscriptions or memberships, rental fees, etc.) on average accounts for approximately 56% of revenue.
- Organizations are projecting decreases on average at approximately 31%. According to an ArtsFund study 46.4% of responding **organizations estimated a loss of between 30%-85% to their earned income.** (endnote 16)
- Contributed income (individual donations, grants and fundraisers) is also decreasing. On average contributed income accounts for approximately 44% of revenue. Organizations are projecting a decrease of 25%, with some survey participants reported a 100% loss of their contributed income. (endnote 17)
- Musicians and artists are among the workers most severely affected by the pandemic. 63% have become fully unemployed. The following findings are based on 24,200 survey responses collected by Americans for the Arts.

- 94% report loss of income.
- 79% experienced a decrease in creative work that generated income (62% “drastic decrease”).
- 66% are unable to access the supplies, resources, spaces or people necessary to perform their work.
- 78% have no post-pandemic financial recovery plan.
- Black, Indigenous, and artists of color have higher rates of unemployment than white artists due to the pandemic (69% vs. 60%). They also expect to lose a larger percentage of their income (61% vs. 56%).
- **90% of America’s music venues are threatened with closure, according to the National Independent Venue Association.**
 - Specifically, many venues that provided opportunities for local musicians to play gigs and hold concerts have been disproportionately affected by the COVID-19 crisis. For example, while as of 2016, New York City had 2,400 venues, ranging from concert and entertainment venues to informal cultural and performance spaces, the COVID pandemic has silenced New York City’s once-vibrant live music scene and left its future in doubt. Concert halls, clubs and arenas remain closed with no guidance from the state on when things might return to normal. (Source: *The Wall Street Journal*, “Coronavirus Has Left New York City’s Music Scene in Discord,” August 10th, 2020).
- Hundreds of millions in economic impact has been lost due to festival cancellations.
- Due to the fact that young, emerging musicians and entrepreneurs rely on playing gigs for income and to garner a fanbase, and the notion that due to COVID, it is unlikely that opportunities to perform and gain exposure will present themselves in the near future, direct investment into the music industry to support burgeoning musical talent is needed.

The US is estimated to lose **2.7 million jobs** and more than **\$150 billion** in the creative businesses due to the pandemic. These estimated losses represent 50% of all jobs in those industries and more than a quarter of all lost sales nationwide. (endnote 18)